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Members of the Legislative Assembly Pension Plan

For Service Before June 19, 1996

Annual Report 2007

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LEGISLATIVE ASSEMBLY
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Members of the Legislative Assembly Pension Plan

2007

Annual Report

For Service Before June 19, 1996

April 1, 2006 to March 31, 2007

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Roles and Responsibilities

This annual report relates to pension benefits for Members of the Legislative Assembly (MLA) who are entitled to receive a pension for service before June 19, 1996, under Part 2 of the *Legislative Assembly Allowances and Pension Act* (the Act). The annual report also relates to financial reporting for the Members of the Legislative Assembly Superannuation Account (the Account), a fund within which contributions and interest accumulate and are invested to fund current and future pension benefits under Part 2 of the Act. Effective April 1, 2007, the name of the Act was changed to the Members' Remuneration and Pensions Act.

British Columbia Pension Corporation

The British Columbia Pension Corporation is responsible for administering pension benefits for Members of the Legislative Assembly who are entitled to receive a pension under part 2 of the Act.

British Columbia Investment Management Corporation

The British Columbia Investment Management Corporation (bcIMC) is responsible for investment management on behalf of the Account.

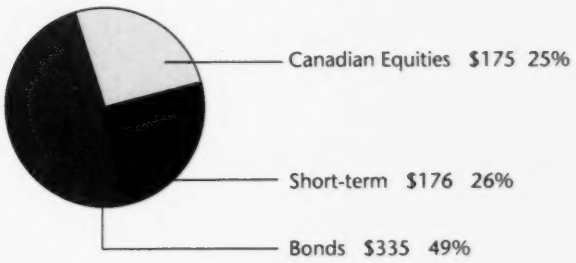
Investments

Investments Held as at March 31, 2007

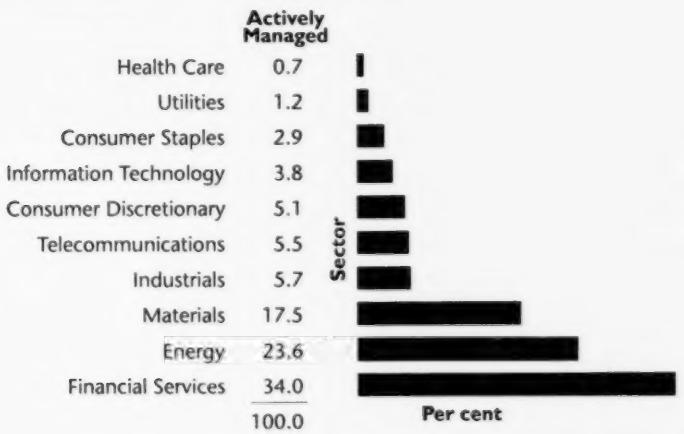
	Market Value	Asset Mix % Market Value
Short-term	$175,866	26%
Bonds	334,602	49%
Canadian Equities	175,498	25%
Total Investments	**$685,966**	**100%**
2006 Comparison	$597,602	

Investments Held (Market Value)

$ Thousands



Canadian Equities, by Sector (%)



Member Services

Members and Contributions

Amendments to the *Legislative Assembly Allowances and Pension Act* in July 1995 closed the pension plan. This means that MLAs are not permitted to contribute or accrue benefit entitlements for service in this plan after June 19, 1996.

Contributions

$ Thousands

Year ended March 31	Members	Government	
		Regular	Terminal Funding
2007	-	-	-
2006	96	96	474
2005	96	96	1,046
2004	-	-	1,016
2003	1	1	-
2002	31	31	9,968
2001	153	153	202
2000	204	204	-
1999	214	215	-
1998	89	89	-

Terminal funding represents additional funding provided by the province in the year a pension is granted, when the present value of the pensions granted exceeds accumulated assets available to fund those members' benefit entitlements in the account.

Number of Members

2007	**9**
2006	9
2005	9
2004	10
2003	12
2002	12
2001	38
2000	35
1999	31
1998	26

Annual Rates for Interest Credited to Contribution Balances (%)

Effective Date	April	October
2006	**3.05**	**2.81**
2005	2.41	2.52
2004	2.82	2.66
2003	2.99	2.70
2002	3.88	3.60

Termination Benefits

Under this plan, when a member ceases to be a Member of the Legislative Assembly, the member may elect to receive a refund of his or her share of contributions, plus the accumulated interest. Interest is credited to the member's contribution balance semi-annually and compounds semi-annually. The rate of interest is based on Bank of Canada average five-year personal term deposit rates.

No termination benefits were paid during the year ended March 31, 2007

Termination Benefits Paid from 1998 to 2007*

Year ended March 31	Amount	Number
2004	$36,183	1
1998	74,082	2

* In years not identified, there were no termination benefits paid.

Pensions

No new pensions were issued during the year ended March 31, 2007. At the end of the year 124 pensions were in force. Total pensions paid amounted to $4.6 million ($4.6 million in 2006).

MLA pensions are paid at the end of each month from the Public Service Pension Plan. The plan pays a full month's pension for the month in which a retired member dies.

The following tables provide an historical overview of MLA pensions issued.

Member Pensions 1998 to 2007

Year ended March 31	New Pensions During Year	Pension Terminations	In Force at End of Year
2007	-	**3**	**124**
2006	4	3	127
2005	3	-	126
2004	2	2	123
2003	-	3	123
2002	26	2	126
2001	1	1	102
2000	2	2	102
1999	1	2	102
1998	-	3	103

Transfers to the Public Service Pension Plan 1998 to 2007

$ Thousands

Year ended March 31	Present Value of Pensions Transferred to Public Service Pension Plan	Inflation Adjustment Contributions Transferred to Public Service Pension Plan
2007	-	-
2006	1,337	89
2005	1,287	138
2004	1,310	214
2003	-	-
2002	12,964	9
2001	222	42
2000	559	56
1999	188	60
1998	-	25

Financial Statements

PENSION CORPORATION

Executive Offices

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MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Members of the Legislative Assembly Superannuation Account (Account) were prepared by the British Columbia Pension Corporation (Pension Corporation), the benefit administrator for the Account. The Pension Corporation is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting policies consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Members of the Legislative Assembly Pension Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Pension Corporation maintains the internal controls necessary to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of KPMG LLP has been appointed the independent auditor to the Account. The role of the auditor is to perform an independent audit of the financial statements of the Account in accordance with the Canadian generally accepted auditing standards. The resulting audit opinion is set out in the Auditor's Report attached to these financial statements.

RON MILLARD, FCGA
Director, Finance
British Columbia Pension Corporation

GAIL STEPHENS, FCGA
Chief Executive Officer
British Columbia Pension Corporation

July 13, 2007

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AUDITORS' REPORT

To the British Columbia Pension Corporation

We have audited the statement of net assets available for benefits of the Members of the Legislative Assembly Superannuation Account as at March 31, 2007 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the British Columbia Pension Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Members of the Legislative Assembly Superannuation Account as at March 31, 2007 and the results of its operations and changes therein for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Victoria, Canada
July 10, 2007

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MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at March 31	2007	2006
ASSETS		
Investments (Note 3)	$ 685,966	$ 597,602
Contributions receivable	-	39,119
Cash	5,509	6,168
Total Assets	691,475	642,889
LIABILITIES		
	-	-
Total Liabilities	-	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 691,475	$ 642,889

All accompanying notes are an integral part of these financial statements.

Ron Millard, FCGA
Director, Finance
British Columbia Pension Corporation

Gail Stephens, FCGA
Chief Executive Officer
British Columbia Pension Corporation

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended March 31	2007	2006
INCREASE IN ASSETS		
Investment income (Note 4)	$ 48,586	$ 73,983
Past service contributions		
Members	-	95,795
Employer	-	95,795
	-	191,590
Transfer from the Public Service Pension Plan	-	628,978
Terminal funding on pensions granted (Note 5)	-	473,678
Total Increase in Assets	48,586	1,368,229
DECREASE IN ASSETS		
Transfer to the Public Service Pension Plan (Note 5)	-	1,425,965
Total Decrease in Assets	-	1,425,965
INCREASE (DECREASE) IN NET ASSETS	48,586	(57,736)
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	642,889	700,625
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 691,475	$ 642,889

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

1. THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

The Members of the Legislative Assembly Superannuation Account (Account) is established under Part 2 of the *Legislative Assembly Allowances and Pension Act* (Act). The Account is administered by the British Columbia Pension Corporation (Pension Corporation).

When a member is granted a pension, the present value of the amount required to provide his or her future pension benefits is transferred from the Account to the Public Service Pension Fund and monthly pensions are paid from that fund. The Province of British Columbia provides additional funding when the present value of pensions granted exceeds the accumulated assets in the Account available to fund those members' benefit entitlements in the Plan.

a) General

The following brief description of the Members of the Legislative Assembly Pension Plan (Plan) is provided for general information only. For more information, please refer to the Act. The Act was amended in July 1995 to discontinue the accrual of benefit entitlements after June 19, 1996. Only member service prior to this date is eligible in determining a member's pension or termination benefit. A member's eligibility for a pension or termination benefit is determined using all eligible service as a member.

b) Roles and Responsibilities

The Pension Corporation provides benefit administration services for the Account.

The British Columbia Investment Management Corporation (bcIMC) provides investment management services for the Account.

c) Pension Benefits

A member of the Plan is entitled to a pension after having served seven years or for more than two parliaments and upon:

- ceasing to be a Member of the Legislative Assembly (MLA) and attaining the age of 55; or
- ceasing to be an MLA and attaining an age plus years of service as an MLA totalling 60 or more years; or
- having reached the calendar year-end of the year in which the member becomes 69 years old.

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

1. THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT (continued)

c) Pension Benefits (continued)

The defined basic benefit plan provides a pension of 5% per year of eligible service, up to a maximum of 16 years service, of the aggregate of the average legislative allowance, special allowance and ministerial salary earned in the highest four years of eligible service as an MLA, and as a minister or specified office holder.

Increases to pension payments may be provided each January 1. These increases are based on the annual increase in the Canada Consumer Price Index (CPI) as at the previous September 30, and are subject to availability of funds.

At January 1, 2007 retired members received a full CPI increase of 0.7% (2006: 3.4%).

d) Termination Benefits

A member of the Plan who ceases to be an MLA may choose between leaving accumulated contributions on deposit or obtaining a refund of contributions with interest.

e) Other Benefits

Survivor benefits are available under the Plan.

f) Income Taxes

The Plan is a Registered Pension Plan as defined in the *Income Tax Act (Canada)* and is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the Account as a separate financial reporting entity, independent of the Account's contributing employer and members.

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments

Investments are stated at fair value and consist of direct ownership in units of pooled investment portfolios. The units of pooled investment portfolios are valued regularly based on the value of the underlying assets. Fair values of those assets are based on public market prices or quotations from investment dealers.

Investment purchases and sales are recorded on the trade date (the date upon which the substantial risks and rewards have been transferred).

c) Investment Income

Income from investments is recorded on the accrual basis and represents pooled investment portfolio income attributable to the Account as a unit holder. Within the pools, dividends are accrued on the ex-dividend date. The current period change in fair value includes realized and unrealized gains and losses which are included in investment income.

d) Use of Estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in assets during the period. A significant area requiring the use of management estimates relates to the valuation of investments. Actual results could differ from those estimates.

3. INVESTMENTS (FAIR VALUE)

	2007	2006
Short-Term	$ 175,866	$ 147,006
Canadian Bonds	334,602	288,372
Canadian Equities	175,498	162,224
	$ 685,966	$ 597,602

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

3. INVESTMENTS (FAIR VALUE) (continued)

The Account's investments consist of direct ownership in units of pooled investment portfolios, managed by bcIMC. Each unit gives its holder a proportionate share in the net assets of the pooled investment fund. One or more pooled investment portfolios exist for different types of investments, such as short-term investments, Canadian bonds and Canadian equities.

Short-term investments consist of Canadian money market securities, such as treasury bills, with maturities of 15 months or less. Canadian bonds consist primarily of government bonds. Equities consist primarily of publicly traded shares.

4. INVESTMENT INCOME

	2007			2006
	Income Allocation	Current Period Change In Fair Value	Total	Total
Short-term	$ 6,877	$ (6)	$ 6,871	$ 5,971
Canadian Bonds	14,245	4,149	18,394	22,917
Canadian Equities	3,103	20,218	23,321	45,095
Investment Income	$ 24,225	$ 24,361	$ 48,586	$ 73,983

Investment income represents pooled investment portfolio income attributable to the Account as a unitholder and as calculated by bcIMC. All income earned within a pooled investment portfolio is reinvested within the portfolio.

5. RELATED PARTY TRANSACTIONS

a) Transfer to the Public Service Pension Fund

	2007	2006
Accumulated assets available for pensions granted	$ -	$ 952,287
Terminal funding from the Province of British Columbia	-	473,678
Transfer to the Public Service Pension Fund	$ -	$ 1,425,965

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

5. RELATED PARTY TRANSACTIONS (continued)

When a member is granted a pension, the present value of the pension is transferred to the Public Service Pension Fund and monthly benefits are paid from that fund. The province provides additional funding in the year the pension is granted (terminal funding) when the present value of pensions granted exceeds accumulated assets available to fund those members' benefit entitlements in the Plan. During the year ended March 31, 2007, no members (2006: four members) were granted a pension.

As at March 31, 2007, nine members remain with eligibility for a benefit. The estimated amount of the Province of British Columbia's obligation (terminal funding) is $2.2 million.

b) Transfer from the Public Service Pension Fund

During the year ended March 31, 2007, no funding was transferred to the Account from the Public Service Pension Fund (2006: $628,978). In accordance with Section 24(2) of the Act, funding represents the present value of any re-elected MLA's pension.

c) Administrative Expenses

Administrative expenses relating to the Account were $5,963 (2006: $5,112). Administrative expenses are paid by the Office of the Legislative Comptroller.

6. ACTUARIAL VALUATION

An actuarial valuation of the Account is not required by the Act and a valuation has not been performed to date.

7. FINANCIAL INSTRUMENTS

The Account's investments are recorded at fair value. Other financial instruments consist of cash, accounts receivable, and accounts payable. The fair values of these financial instruments approximate their carrying values.

Fair values of investments are exposed to price risk. Price risk is comprised of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

This publication is produced by the
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Members of the Legislative Assembly Pension Plan.

PENSION
CORPORATION

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